

WHAT IS CLAIMED IS:

1. A loan application and payment system for lenders and builders comprising the steps of:

establishing an electronic database on a host server by a lender;

obtaining credit approval by a builder from the lender;

sending an account number and a password by the lender to the builder when the builder has ben approved for credit;

accessing a construction project account in the electronic database by entering the account number and the password;

entering and submitting electronically information related to the construction project;

determination of approval of construction loan by the lender based on the information related to the construction project;

applying for an application for payment if the construction loan is approved; and

transferring monetary funds to the builder after application for payment is submitted and approved.

2. The method of Claim 1 wherein the step of accessing a construction project account further comprises the steps of:

accessing a lender application form on the electronic database by the builder;

entering builder information in the lender application by builder;

submitting electronically the builder information to the electronic database; and

sending the account number and password to the builder.

3. The method of Claim 2 wherein the step of entering and submitting electronically information related to the construction project further comprises:

entering and electronically submitting a breakdown of cost for the construction project;

entering and submitting ownership information related to the construction project; and

entering and electronically submitting payment instructions.

4. The method of Claim 3 wherein the step of entering and electronically submitting a breakdown of cost for the construction project further comprises:

entering and electronically submitting different work items on the construction project;

entering one of budget, subcontractor, supplier, or contract labor for each work item submitted;

entering monetary amounts for each work item submitted;

and

submitting electronically data related to each work item.

5. The method of Claim 4 further comprising the steps of:

entering and submitting a contingency/change order should the builder want one for the construction project; and

calculating a total cost for the contingency/change order based on guidelines established by the lender.

6. The method of Claim 5 wherein the step of applying for an application for payment if the construction loan is approved further comprises the steps of:

entering and electronically submitting a draw amount for each work item; and

submitting electronically an affidavit that all data submitted related to the application for payment is accurate.

7. The method of Claim 6 further comprising the steps of:

obtaining properly signed waiver of lien/contractor affidavits from each subcontractor, supplier, or contract labor in the work item that the application for payment is being requested for; and

sending the properly signed waiver of lien/contractor affidavits from each subcontractor, supplier, or contract labor in the work item that the application for payment is being requested for to the lender.